FISCAL NOTE

HB 157 - SB 189

February 20, 2015

SUMMARY OF BILL: Authorizes the governing body of a public charter school to choose an insurance plan, other than the plans offered by the local education agency (LEA).

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – State and local Basic Education Formula (BEP) funding for insurance premiums for teachers and other full-time permanent employees may be reduced in future fiscal years if charter schools are switching insurance plans to reduce costs. The extent of any such reductions cannot be reasonably quantified and is based on multiple unknown factors.

Assumptions:

- Any change in insurance plans will be voluntary for the governing bodies of public charter schools.
- Any increase in expenditures resulting from a change in a public charter school's insurance plan will be borne by the public charter school.
- If the number of current state insurance plan participants from public charter schools that choose to participate in another insurance plan is low, the impact on the BEP insurance component would be not significant.
- If the number of current state insurance plan participants from public charter schools that choose to participate in another insurance plan is high, the impact on the BEP insurance component would be less funding statewide and the required local match requirement would also decrease. The decrease in state BEP funding and the required local match would be in the succeeding fiscal year from the year in which participants opt out of the state insurance plan.
- Any such decrease would be based on multiple unknown factors, including but not limited to, the number of participants who opt out of the state insurance plan; the timing of when any participants opt out of the state insurance plan; and the insurance premiums for the new plan in the following fiscal year.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

Jeffrey L. Spalding, Executive Director

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